About_these_files

Notes for BPA's 23-Feb-01 web posting of ToolKit input and output files.

General Notes

The ToolKit has a lot of changes in it since the Amended Proposal that are not documented (sorry!); BPA is posting it in this condition in order to make it available as soon as possible. It will generally not work to change the SliceType variable, or to mix and match input files (e.g., change RiskMod files).

RM (RiskMod) Files

S0 – no Slice sales; Slice customers assumed to be purchasing other products. Aes and customers provided main input for selection of alternative products.
S2000 – 2000 aMW of Slice sales assumed.
Augmentation – a firm purchase for each month in the amount of the augmentation remaining after considering all purchases made by BPA prior to 1-Jan-01 was modeled. Price for firm purchase = average market price for each run.
LB CRAC – not modeled in RiskMod (see ToolKit)

TK (ToolKit) Files

The S0mod files are the No Slice files reported in BPA's Supplemental Proposal with a small fix to the rate impacts calculations – no changes in the main ToolKit outputs, like ending reserves.
S2000 – 2000 aMW of Slice, with LB CRAC costs allocated to Slice/No Slice by revenue as in BPA's Supplemental Proposal.
S2000_AlloMW – 2000 aMW of Slice, with LB CRAC costs allocated to Slice/No Slice by MW, as in Joint Customer Proposal.

Features common to RiskMod and ToolKit files

$140 (140Mkt), $210 (210Mkt), $315 (315Mkt) – the average market prices for the run. These prices were scaled up from Aurora prices. The averages for each year are listed in the files with "Slice Cost Shift" in the names.
LR0, LR1500 – "LR0" means Load Reduction 0 aMW relative to the Amended Proposal – no load loss, no load buydown. "LR1500" means a Load Reduction of 1500 aMW relative to the Amended Proposal. This was modeled as a generic load loss, not a loss of a specific rate class. Base rate revenue of this load assumed to be $22.10. Load reduced by 1500 aMW; augmentation need reduced by $1500 * (1 + 2.8\%) = 1542$ aMW (resource need exceeds load in order to cover 2.8% network losses).

Starting Reserves

Average starting reserves for 2002 = $308.7M. FY 2001 modeled same as in Amended Proposal, where average starting reserves were $929M except that
1) FY 2001 net revenue was reduced by $600M to reflect the higher power purchase expenses BPA was making during FY 2001.

2) The floor on ending reserves ($50M) was removed to model "negative cash", for example, if BPA exercised its note with Treasury and had to repay it immediately in FY 2002.

The STREAM distribution is the same as used in the Amended Proposal, which is the same as the one used in the May Proposal except that each game's 2001 deviation was doubled to reflect greater volatility.

DDC (Dividend Distribution Clause)

The DDC logic in the ToolKit, written about two years ago, assumed that the threshold test for distribution of dividends was ending reserves. BPA's May Proposal and Amended Proposal called for distribution based on beginning reserves (technically, the Accumulated Net Revenue equivalent of beginning reserves), but also called for a rolling 5-year TPP test. Since we did not have a rolling TPP test modeled in the ToolKit, we did not model the DDC in either the May Proposal or the Amended Proposal, so the discrepancy between the Proposals and the ToolKit's logic did not matter. There hasn't been enough time to change the ToolKit's logic yet, so the workaround is as follows.

The Supplemental Proposal calls for the possibility of distributions based on beginning reserves (ANR equivalents) in years 2003 – 2006. Since the ToolKit uses ending reserves, it is modeling possible DDC distributions in what it thinks of as 2002 – 2005. These distributions are shown in the output as 2002 – 2005, and the first one comes off before the 2002 ending reserves are calculated. This is not how the Supplemental Proposal would work. The DDC in the Supp Prop will let ending 2002 reserves be whatever they can be, and will then make a distribution, if any, during 2003. Thus, the 2003 ending reserves will be affected by this distribution and by any other financial events during 2003 (e.g., high water). So in the Supp Prop the ending reserves are not 'constrained' by the DDC to any particular value. The ToolKit ending reserves graph shows an absolute cap on ending reserves for each of the four years 2002 – 2005, but this is not accurate. Not enough time to fix it for this distribution.

Running the ToolKit

There are three cells (C3:C5) that contain file paths and names. The paths will probably not match your computer setup, unless you can put the files into a "Supplemental Proposal" directory inside a "ToolKit" directory on a drive your computer knows as the "Z" drive. 3 options:
1) Open the called-for files first; if the ToolKit finds files open already with the same name (just name, not path-and-name), it will not check the directory.
2) Change the path specification in the ToolKit cells.
3) Run the ToolKit without making any changes, and the ToolKit will prompt you to locate the correct files, and will update cells C3:C5 with the new path/name after completing a run.

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